IN THE CLAIMS:

Please amend claims 1, 5, and 6 as follows:

1. (CURRENTLY AMENDED)   A computer implemented method of optimizing market and institutional risks in foreign currency exchange hedging, said method comprising the steps of:

selecting a VaR calculator;

determining an optimization procedure to be used;

using the VaR calculator and the optimization procedure to determine an efficient frontier line on which optimal portfolios will exist in two-dimensional space; and

selecting a range of the optimal portfolios; and

choosing to allow a user to choose between the optimal portfolios in the range based on trade-offs between institutional risk and market risk of losses due to hedging.

2. (PREVIOUSLY PRESENTED)   A computer implemented method as set forth in claim 1 wherein said step of selecting comprises selecting the VaR calculator based on judgment of its suitability for calculation of the institution's foreign currency exchange risk.

3. (PREVIOUSLY PRESENTED)   A computer implemented method as set forth in claim 1 wherein said step of determining comprises determining the optimization procedure based on a user's judgment of each method's efficiency in finding optimal solutions for the application at hand.

4. (PREVIOUSLY PRESENTED) A computer implemented method as set forth in claim 1 wherein said step of using comprises using management judgment to choose between tradeoffs based on in total portfolio risk and hedging risk.

5. (CURRENTLY AMENDED) A computer implemented method as set forth in claim 1 wherein ~~said step of choosing comprises choosing by senior management~~ each portfolio on the efficient frontier line is a percentage to be hedged from zero percent to one hundred percent.

6. (CURRENTLY AMENDED) A computer implemented method of optimizing market and institutional risks in foreign currency exchange hedging, said method comprising the steps of:

selecting a VaR calculator;

determining an optimization procedure to be used;

using the VaR calculator and the optimization procedure to determine an efficient frontier line on which optimal portfolios will exist in two-dimensional space; and

selecting a range of the optimal portfolios; ~~and~~

~~choosing~~ to allow a user to choose between the optimal portfolios in the range using management judgment between trade-offs in total portfolio risk and hedging risk.